

**Iowa Department of Natural Resources  
Natural Resource Commission**

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**ITEM**

**15**

**DECISION**

**TOPIC**

**Contract – Central Trust Bank– Electronic Licensing System for Iowa**

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The Department requests Commission approval to enter into a contract with Central Trust Bank of Jefferson City, Missouri, for management of the Department's electronic licensing sales and for the development of additional features to system that will make this second-generation of the licensing system (ELSI 2) easier to use for the Department, license agents, and privilege purchasers. Central Trust Bank is the holder of the Department's current contract to manage the state's electronic licensing system, and was selected through a competitive process discussed in more detail below. The Department does not have sufficient administrative or IT staff to operate or maintain a system of this magnitude and complexity. Therefore, ELSI 2 must be operated, maintained and guaranteed by the proposed contractor.

The Department's electronic licensing system was originally developed and deployed in 2001. It provided the state with a reliable method to sell hunting and fishing privileges throughout the state through the use of a point of sale system. In this system, a network of agents, including retailers and county recorders, could use a prescribed terminal to sell licenses. The system allowed for the flow of more accurate information and for smoother transactions and revenue collection. The system, over time, grew to a network of over 900 license agents. It also began to offer additional features, including some vehicle registrations and internet and phone sales. Now users can buy a license for almost any privilege the Department offers at home, at the local sporting goods store, or even at recreational conferences.

The creation of ELSI 2 will enable staff to work with the Contractor to take the system into a more user-friendly, web-interfaced system. It will also be more responsive to changes that must be made because of changes to the Commission's administrative rules, meaning less staff time spent in updating the system, and will allow for even more transactions, such as magazine sales, nursery sales and boat registration.

In March 2006, the Department issued a request for information to learn more about licensing technology and services available to the Department. The Department also surveyed its license agents to gain a better understanding of the types of issues they encountered and services they sought from the system. In July 2007, the Department sought, in accordance with administrative rules requirement, and received approval from the Iowa Technology Governance Board to issue a request for proposals (RFP) for a new vendor, and on August 2, 2007 the Department published the RFP. The Department utilized the Department of Administrative Services (DAS) to manage the RFP process, which provided access to its IT procurement officer and the qualified IT vendors lists DAS manages. The opportunity was announced to these vendors, as well as to the registered Targeted Small Businesses in Iowa, respondents to the original request for

information, and any contractor that accessed the state of Iowa's Bid Opportunities website or the Department's website. The Department received two proposals and evaluated them using pre-determined and published criteria. The proposed contractor outscored the second-placed contractor for every evaluation point, and based on historical license sales, offered the services at nearly half the costs of the second-placed contractor.

The proposed contract will run for a term of not to exceed 12 years, in accord with a Charter Agency rule waiver the Department is utilizing (see Iowa Code section 7J.1(6) (2007)). The Contractor has proposed a vendor fee of \$1.28 per transaction, with varying convenience fees for phone and internet sales of \$5.00 plus 2.5% per transaction and \$2.50 plus 2.5% per transaction, respectively. (The percentages attached to the convenience fees represent the costs associated with processing credit cards.) The vast majority of transactions occur over the point-of-sale system, which would not be assessed the proposed convenience fee. The Department will not pay any up-front or lump-sum costs for this contract.

The vendor fee will include:

- Development of ELSI 2
- Hardware costs for point of sale equipment
- Point of sale hardware maintenance and deployment
- Point of sale transaction authorization and database storage
- Point of sale software development
- Data replication services
- IVR development for Harvest Reporting
- IVR authorization and database storage for Harvest Reporting
- Tier I and II Helpdesk support for point of sale
- Agent point of sale supplies, including license paper
- Agent ISP connectivity for up to 200 license agents
- Agent training
- Disaster recover services
- Enterprise Control Center administrative interface
- Report achieve and retrieval
- Project management

The Commission approved an extension of the current contract for licensing services, which shall ensure the Department continues to operate the current electronic licensing system while ELSI 2 is developed and tested.

Ken Herring, Administrator  
Conservation Recreation Division

December 13, 2007